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SUBJECT: THE NEXT EU COMMISSION: A BRUSSELS PREVIEW

SUMMARY

1. (SBU) The EU rumor mill is already full of possible candidates for the succession of Romano Prodi as Commission President in November 2004. EU leaders are expected to pick a President-designate at their June 17-18 Summit (European Council) meeting in Brussels, shortly after the June 10-13 elections to the European Parliament (EP). Powerful voices in the EP insist Prodi's successor must come from whichever political family emerges from the June EP elections with the most seats. As things stand, this could induce leaders to pick up a candidate closely associated with the European People's Party (EPP), thus giving Luxembourg PM Juncker, former Belgian PM Dehaene or Austrian Chancellor Schuessel the best chances to win the nomination, though some (Juncker, in particular) might hesitate to leave national politics. The designation will be followed by the intricate process of choosing the other 24 Commissioners from each of the remaining Member States, and allocating portfolios among them. END SUMMARY.

2. (U) This next generation of EU officials will be key interlocutors for the U.S. on the whole range of issues filling the US-EU agenda. Not just the new Commission President, but also those Commissioners who hold key portfolios such as Trade, External Relations, Competition, Internal Market or others will play central roles in our efforts ranging from WTO negotiations to border security measures and assistance coordination.

WHO WILL SUCCEED PRODI?

3. (U) The mandate of EU Commission President Prodi and his colleagues in the college of Commissioners will expire at the end of October this year. President Prodi is expected to return to Italian politics. The Brussels rumor mill is already full of possible candidates for Prodi's succession, a job that involves running the EU executive, initiator of legislation in key economic areas and manager of EU trade and competition policies, all areas of crucial interest to the USG.

4. (U) The nomination of Prodi's successor is a matter for the EU leaders, who will make their choice at their June 17-18 Summit in Brussels, less than a week after the elections to the EP. The decision, in which the current Irish Presidency (PM Ahern) is expected to play the role of honest broker, will likely be made by consensus, although Nice Treaty rules now allow it to be made by qualified-majority voting. The EP must then confirm the Commission President-designate. Thereafter, as we move into the Dutch Presidency (starting on July 1), the President-designate will have contacts with all EU governments to draw up the list of the other members of the new Commission, based on proposals by each government (one Commissioner per Member State, including the President-designate). It will fall to the new Commission President to allocate portfolios in the new team.

5. (SBU) Powerful voices in the EP insist Prodi's successor must come from whichever political family emerges from the June elections with the most seats. The largest EP group currently is the European People's Party (EPP), made up of Christian-Democrats and Conservatives. Based on the current grouping of party affiliates, the only other group that might win a larger number in the next Parliament is the center-left Party of European Socialists (PES), although there are possible candidates for top jobs from smaller party groups, especially the Liberals.

16. (SBU) Nationality is another key factor: with de Hoop Scheffer at NATO, no Dutchman can reasonably set his hopes on the Commission; if Solana is reappointed High Rep in the fall, Spain is unlikely to win another EU top job, etc. It is not conceivable that the new President would be chosen from any of the ten new Member States, but there might be interest in appointing someone from outside the EU's "founding six" as only one previous Commission President (UK's Roy Jenkins) has come from outside this group of France, Germany, Italy and the Benelux. Here is what we have gleaned in the EU corridors, although the fluid nature of the issue at this stage means the list cannot be considered exhaustive:

TOP CONTENDERS:

- Jean-Claude Juncker (Luxembourg PM, EPP): veteran of the EU leaders club, said to be favored by France and Germany; chances weakened by Jacques Santer's 1999 debacle as last Luxembourg PM to serve as Commission President; has repeatedly expressed preference for another term as PM (national elections to coincide with the Euro-elections);
- Jean-Luc Dehaene (Belgian former PM, EPP): failed to win the job in 1995 (due to UK veto); able to master detail and to forge compromises; served as Vice-President of the Convention that drafted the EU Constitution;
- Wolfgang Schuessel (Austrian Chancellor, EPP): his nationality and political affiliation may prove assets; his coalition with Haider's party is definitely a minus;
- Paavo Lipponen (Finnish former PM, PES): openly interested in the job; strong defender of the Commission and the small states;
- Costas Simitis (Greek departing PM, PES): managed not to make enemies during Greece's EU Presidency in 2003; soon to be available.

OTHER POTENTIAL CANDIDATES:

- Guy Verhofstadt (Belgian PM, Liberal): not willing to admit his ambitions; may be tempted to take the EU path if his coalition government gets into trouble;
- Pat Cox (Irish, EP President, Liberal): very effective speaker; would probably do well to bring the EU closer to its citizens, but seen as lacking government experience.

DARK HORSES:

- Antonio Vitorino (Portuguese, JHA Commissioner, PES): efficient Commissioner with good knowledge of the EU machinery, has received public support from the current EPP-led Portuguese government;
- Guenther Verheugen (German, Enlargement Commissioner, PES): Chancellor Schroeder wants him to stay in Brussels with another portfolio; his handling of enlargement could make him a popular candidate among new Member States;

POSSIBLY, BUT MAY NOT BE INTERESTED?

- Anders Fogh Rasmussen (Danish PM, Liberal): very effective during 2002 Danish EU Presidency;
- Peter Sutherland (Irish, former Commissioner and WTO Director-General, Chairman of BP and Goldman Sachs);
- Joschka Fischer (German FM, Green): has European vision; probably cannot leave Berlin;
- Jose Maria Aznar (Spanish departing PM, EPP): said he was not interested.

THE NEXT COMMISSION: WHO IS IN, WHO IS OUT?

17. (SBU) As regards the subsequent task of assembling a new Commission, among the safest conclusions we can make at this point is that the ten Commissioners who will join the Prodi team on May 1 from the new Member States will all, or nearly all, stay on in Brussels as part of the next Commission for its 2004-2009 term. The ten, who

will serve with full voting rights but with no portfolio of their own for the interim May-October period, should be:

- Czech Republic: Milos Kuzvart, former Environment Minister;
- Cyprus: Marcos Kyprianou, Finance Minister;
- Estonia: Siim Kallas, former PM, Foreign and Finance Minister;
- Hungary: Peter Balasz, Ambassador to the EU, formerly State Secretary and representative in the Convention on the Future of Europe;
- Latvia: Sandra Kalniete, Foreign Minister;
- Lithuania: Dalia Grybauskaite, Finance Minister;
- Malta: Joe Borg, Foreign Minister;
- Poland: Danuta Huebner, Minister for European Integration;
- Slovenia: Janez Potocnik, Minister for European Affairs;
- Slovakia: Jan Figel, Parliament Foreign Affairs Committee chair, former chief EU negotiator.

8. (SBU) For the other 15 Member States, things are less clear:

- Austria: Franz Fischler (Agriculture and Fisheries) has said he will leave Brussels. If Schuessel is not named Commission President, one possibility is FM Ferrero-Waldner;
- Belgium: Philippe Busquin (Research) would be interested in another term, but his fate depends on a decision by Francophone Socialist party leader Di Rupo. An EP seat would be a second choice;
- Denmark: Poul Nielson (Development and Humanitarian Assistance), a Socialist, is not expected to be re-nominated by the Liberal-led government in Copenhagen;
- Germany: Chancellor Schroeder would like Enlargement Commissioner Guenther Verheugen (also a dark horse candidate for President) to stay on, possibly with an internal economic portfolio such as Competition or the Single Market. Verheugen's own interests more likely to be in Trade or External Relations. Budget Commissioner Michele Schreyer (Green) will not stay on, as Germany and other big states will only have one, rather than two Commission seats;
- Greece: Anna Diamantopoulou (Employment and Social Affairs) is leaving Brussels to join the PASOK campaign for March 7 Greek elections (septel). If PASOK wins upcoming elections, she might join new government in Athens, if PASOK loses she will not be nominated by the new Greek government. Who might replace her must await the outcome of the Greek elections;
- Finland: Erkki Liikanen (Enterprise and Info Society) will likely leave Brussels, as he is not seen as close to the current Finnish government;
- France: Michel Barnier (Regional Policy) is said to be interested in another term, but in a higher profile job than his current one. As France is one of the countries losing its second Commission seat, there is no chance Pascal Lamy (Trade, Socialist) will be staying in the Commission;
- Ireland: David Byrne (Health and Consumer Protection) might be interested in another term;
- Italy: Mario Monti (Competition) may be willing to stay if assured of the Economic and Monetary Affairs portfolio. A possible replacement is Rocco Buttiglione, Italian Minister for European affairs;
- Luxembourg: Viviane Reding (Education and Culture), whose name is not on any of the candidate lists for upcoming national or EP elections in Luxembourg, would be interested in another term. Her future is uncertain, however, due to possible candidacy of PM Juncker for

Commission President;

--The Netherlands: Frits Bolkestein (Internal Market) is openly interested in another term;

--Portugal: Antonio Vitorino (Justice and Home Affairs) is a dark horse candidate for Commission President. Even if not in that job, he could still be Portugal's Commissioner, although he is a Socialist coming from a country with a center-right government;

--Spain: Both Loyola de Palacio (Transport and Energy) and Pedro Solbes Mira (Economic and Monetary Affairs) are expected to leave the Commission;

--Sweden: Margot Wallstroem (Environment) is reportedly on the outs with Socialist PM Persson and thus considered unlikely to be renominated. One rumored replacement might be Carl Bildt, former center-right PM. However, given Wallstroem's popularity back home with Swedish Socialists, some in Brussels think Persson might see it as convenient to keep her Brussels;

--UK: Both Neil Kinnock (Administration) and Chris Patten (External Relations) will be leaving the Commission. Britain's lone Commissioner in the next term could be Blair-confidant Peter Mandelson.

SCHNABEL